

MEMORANDUM OF SUPPORT

AN ACT CONCERNING CALL CENTERS AND NOTICE OF CLOSURE

(HB6383)



THE PROBLEM

- ▶ There are over 31,000 call center workers in Connecticut.¹
- ▶ CWA represents 3,240 workers in Connecticut and 700,000 nationwide.
- ▶ Connecticut is home to call centers operated by, among others, Frontier, Comcast, Maximus, and Metlife, employing hundreds of CWA members.
- ▶ In August, 2016, Cablevision closed call centers in Shelton and Stratford, laying off 600 workers.²
- ▶ In October, 2016, Verizon Wireless closed two call centers in Wallingford and Meriden, laying off 550 workers.³
- ▶ In February, 2019, AT&T announced the closing of multiple Meriden call centers, killing 90 good-paying jobs.⁴
- ▶ Since passage of the 2017 tax bill, AT&T has received over \$20 billion in corporate tax savings; since then, they've eliminated over 12,000 union jobs.⁵

WHAT THE BILL WOULD DO

- ☑ The bill covers employers with fifty or more full-time or full-time equivalent workers.
- ☑ A call center employer that intends to relocate at least 30% of call volume in a year out of the state is required to notify the Labor Commissioner. Failure to do so is subject to a fine.
- ☑ The Labor Commissioner will make public an annual list of all call center jobs and call center employers that move at least 30% of calls out of the state.
- ☑ Companies on this list will not be eligible for any public grants, loans, tax benefits and state contracts for three years.
- ☑ The state can "claw back" any financial governmental support for five years.
- ☑ All state agencies are required to ensure that all state business-related call center work is performed by companies located in Connecticut. State contractors who currently have call centers outside of Connecticut have two years to comply.

1 Bureau of Labor and Statistics, Occupational Employment Survey, May 2017

2 <https://www.fiercevideo.com/cable/altice-continues-u-s-cable-re-org-shutters-connecticut-call-center>

3 <https://www.courant.com/business/hc-verizon-call-centers-closing-20161012-story.html>

4 <https://www.nbccconnecticut.com/news/local/ATT-Workers-Protest-Plan-to-Move-Jobs-Out-of-State-506348741.html>

5 <https://cwa-union.org/sites/default/files/201901-att-offshoring-report.pdf>

COSPONSORS

HOUSE	SENATE
Prime Sponsor: Rep. Robyn Porter - Labor and Public Employees Committee Chair	Prime Sponsor: Sen. Julie Kushner - Labor and Public Employees Committee Chair
House Sponsors:	Senate Sponsors:

OUTSOURCING KILLS JOBS

- ▶ Outsourcing and offshoring is a threat to the call center industry, as call center jobs are particularly easy to move.
- ▶ The 2017 GOP tax bill incentivizes offshoring by setting a lower tax rate for profits offshore. Domestic profits are now taxed at 21%, while offshore profits are taxed at 10.5%.
- ▶ The Legislature must respond to this new development or tens of thousands of good paying jobs will be at risk.

CONNECTICUT SHOULD NOT SUBSIDIZE CORPORATIONS THAT DESTROY JOBS

Connecticut taxpayer funds should not act as a backdoor subsidy for companies to outsource customer service jobs. Grants, loans, tax benefits, contracts and other financial assistance should be withheld from companies that shift jobs overseas.

CONNECTICUT NEEDS HIGH-QUALITY JOBS

The average call center job pays \$40,300 per year. Our state needs well-paying, high-quality jobs.⁶

BILL HISTORY

- In 2019 the bill did not advance
- In 2020 the legislative session ended early due to COVID-19

Support An Act Concerning Call Centers and Notice of Closure!

For more information, contact CWA District 1 at 212-344-2515

⁶ Bureau of Labor and Statistics, Occupational Employment Survey, May 2017